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USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL  
USDOC FOR 4530/MAC/ANESA/OSA  
ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: GUJARAT NARMADA VALLEY  
FERTILIZERS COMPANY LTD., DIST. BHARUCH, GUJARAT, LICENSE NO.  
D362905

REF: USDOC 05388

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Export Control Officer (ECO) Michael Rufe and BIS FSN Prem Narayan conducted a Pre-license Check (PLC) at Gujarat Narmada Valley Fertilizers Company Ltd. (GNFC), Bharuch Dist. Gujarat, on November 2, 2006.

¶3. BIS requested a PLC at GNFC, a Gujarat State Government Public Sector Undertaking (PSU), located at: P.O. Narmadanagar 392015, Dist. Bharuch, Gujarat, Website: [www.gnfc.com](http://www.gnfc.com). GNFC was listed as the Ultimate Consignee for 10 Tantalum capped tubes controlled under ECCN 2B350. The license applicant was Titan Metal Fabricators Inc. (Titan), Oxnard, CA.

¶4. The ECO met for approximately 2 hours with M.N. Tirmak (Tirmak), General Manager, B.R. Patel (Patel), Additional General Manager, and V.M. Patel Senior Manager (Purchase), GNFC. The meeting was facilitated by Deputy Secretary (AMS) Prashant Arawal (Agrawal), Ministry of External Affairs (MEA), GOI. Agrawal was also present in the meeting.

¶5. GNFC officials were aware of certain BIS regulations. GNFC has been party to previous BIS export licenses. Patel recalled that the officials from the American Consulate General, Mumbai, visited GNFC approximately 7-8 years ago to conduct a PSV for a BIS export license. They provided a copy of the GNFC corporate brochure, Titan quotation, GNFC Purchase Order and the End-Use statement. Based on the risk report statement that GNFC is a supplier of liquid nitrogen to ISRO. The ECO inquired whether they sell or provide product to ISRO. The officials stated no. A website search did not find liquid nitrogen as a GNFC product.

¶6. Patel confirmed the stated end-use of the Tantalum capped tubes. He stated that GNFC manufactures approximately 750 tons of weak nitric acid (WNA) and 250 tons of concentrated nitric acid (CNA) per day. CNA is manufactured at their CNA-I and CNA-II plants. GNFC uses three heat exchangers for two plants for the production of nitric acid. Two heat exchangers are integrated into the two plants and the third is kept as standby. Currently, the third heat exchanger is currently under repair and will be operational after the tubes on order will replace the existing faulty tubes.

¶7. The Tantalum capped tubes are already being used in all three heat exchangers. Approximately 55 Tantalum capped tubes are used in one heat exchanger. The new Tantalum capped tubes on order will replace the plugged and damaged tubes in the third heat exchanger.

The Tantalum capped tubes are fragile and require careful handling. The tubes usually get damaged while in transit or when the maintenance work is being carried out or due to manufacturing process upsets. Tantalum is a tough, ductile metal and its corrosion resistance and heat transfer properties make Tantalum a perfect construction material for a wide range of equipment especially for heat exchangers. The ECO was taken to the site of plants CNA-I and II. The ECO was also taken to the inventory area and shown the plugged and damaged Tantalum capped tubes that need to be replaced.

18. Established in 1976, GNFC is a joint sector enterprise promoted by the Government of Gujarat and the Gujarat State Fertilizer Company Ltd. GNFC is the largest producer of fertilizers in India. The products range manufactured include urea, ammonium nitro phosphate, calcium ammonium nitrate, ammonia, weak nitric acid, concentrated nitric acid, hydrogen, methanol, formic acid, methyl formate and acetic acid. Narmada Chematur Petrochemicals Limited (NCPL) is a fully owned subsidiary of GNFC that produces aniline and toluene di isocyanate (TDI). GNFC sells fertilizers directly to farmers and cooperatives under the directives of the GOI Department of Fertilizer. The industrial chemicals manufactured by GNFC are sold to chemical production facilities, textiles, leather, and rubber industries. It has a network of approximately 30 marketing offices spread throughout India through which it sells fertilizers and industrial chemicals produced by GNFC. They have several technical collaborations with overseas companies including Texaco, DuPont, and Entrust of the United States. GNFC employs 2,400 personnel. Sales for the fiscal year 2005-2006 were approximately \$500 million.

19. Recommendation: Post recommends Gujarat Narmada Valley Fertilizers Company Ltd. as a reliable recipient of the controlled U.S. origin commodities. All indications are that the listed commodities will be used in accordance with U.S. export control

regulations (MKRUFE) Mulford